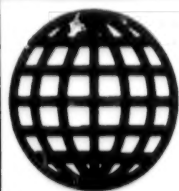


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8 March 1993



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JPRS Report

Near East & South Asia

NEPAL and SRI LANKA

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JPRS-NEA-93-031

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Labor Peasant Party: U.S. Should Leave Korea

46001235A Kathmandu THE RISING NEPAL
in English 3 Dec 92 p 3

[Article: "NLPP (Nepal Labor Peasant Party) Calls for N-Arms Pullout From S. Korea"; quotation marks as published]

[Text] Kathmandu, Dec. 2 (RSS): Nepal Labour Peasant Party has issued a press statement suggesting that the American forces and nuclear weapons deployed in South Korea should be withdrawn without delay and the 'team spirit' military exercises cancelled for the defusion of tension and establishment of peace in the Korean peninsula and the world.

Denouncing the past military exercises carried out in the region, the statement issued by the party chairman Narayan Man Bijukshe says that the recent announcement of the plan to carry out 'the team spirit' military exercises which took shape in the suspicion of the North Korea having developed nuclear weapon has once again created tension in the Korean peninsula and Asia.

Visiting Chinese Delegation Leaves for Home

46001236A Kathmandu THE RISING NEPAL
in English 1 Dec 92 pp 1, 7

[Article: "Chinese Team Completes Nepal Visit"]

[Text] Kathmandu, Nov. 30 (RSS): The Chinese delegation led by vice-chairman of the standing committee of the National People's Congress Liao Hansheng left here this evening after completing a 4-day goodwill visit to Nepal.

Those present at the Tribhuvan International Airport to bid farewell to the delegation were speaker of the House of Representatives Damannath Dhungana, Minister for Law, Justice and Parliamentary Affairs Maheshwor Prasad Singh, Assistant Minister Dinbandhu Aryal, MP's [members of Parliament], General Secretary of the parliament secretariat, secretaries of the House of Representatives and the National Council and other office bearers of the parliament secretariat.

Chinese ambassador to Nepal Shao Jiongchu was also present on the occasion.

Briefing the newsmen earlier, Mr. Hansheng expressed the view that the visit to Nepal helped to further expand the friendly relations subsisting between the two countries.

Asked about the parliamentary system adopted in Nepal following the restoration of democracy in the country, he stressed that there should be no interference in the international affairs of any country and said that he would respect the people's verdict.

Mr. Hansheng expressed happiness over the hospitality offered by His Majesty the King, the Prime Minister, His Majesty's Government and parliament officials during the visit.

He had borne the friendly sentiment of the Chinese people to Nepal, he said, noting that he will also take the love and affection received here to the Chinese people.

The 14-member Chinese delegation had arrived here on November 27.

Problems Caused by Bhutanese Refugees Told

93AS0488A Kathmandu THE RISING NEPAL
in English 9 Dec 92 p 1

[Article: "Refugees May Bring Social Problems, Says Bhattarai"]

[Text] Kathmandu, Dec. 8: A talk programme on the problems of refugees was organized by the Amnesty International (AI) Nepal Group 18 (Kathmandu) to mark the Human Rights Day, today.

The President of the Nepali Congress, Mr. Krishna Prasad Bhattarai, speaking on the occasion, said that the refugees, along with their attendant problems, have the inherent capacity to bring out some adverse effects on the social fabrics of the community.

He further pointed out that their accompanying problems transcend the developed or the developing status of the country or countries concerned.

Mr. Bhattarai, the chief guest at the talk programme, while citing more than 70,000 Bhutanese refugees currently in Nepal as the probable sources of social problems in Morang and Jhapa due to the onslaughts of poverty and deprivation also cautioned that the problems of refugees invariably have many aspects and they should be viewed with due consideration.

Mr. Ram Hari Joshi, the Minister for Tourism, speaking on the occasion, said that an organization like Amnesty International should be lauded for its role adding that the crux of its existence would be to find whether it could put its tenets and principles into practice.

Dwelling on some length on the important aspects of protecting and preserving human rights, Minister Joshi also called upon the enlightened groups and organizations to show the way to the government through various avenues so that the government could take appropriate initiatives concerning the same.

Pointing out that the government alone cannot take such initiatives without close cooperation of such groups, he said that in any country the fundamental laws protecting and guaranteeing human rights are in proportion to the awareness and consciousness amongst the general populace of their inherent rights.

Mr. Ross Daniel, the President of the International Executive Committee of the Amnesty International, while lauding Nepal for incorporating a vast corpus of legislations in the area of human rights within a period of three years, also paid deep tributes to all those human rights fighters who have had sacrificed and undergone many tribulations to make them possible.

Informing the audience and those human rights activists that the Nepalese Chapter had been granted due recognition by the Amnesty International, Mr. Daniel, after dwelling philosophically on the varied aspects of human rights, pointed out that human rights per se could be preserved only through the masses intrinsically understanding their fundamental rights.

Mr. Rishikesh Shah, speaking on the occasion, highlighted the possible loopholes presently found in the existing convention concerning the refugees and their problems.

Dividing the refugees into two distinct categories, namely the internally displaced persons and those who cross a national border to live as refugees, the eminent legal expert further argued forcefully for the inclusion of unambiguous clauses and articles in the existing convention concerning refugees and their related problems so that the U.N. could pursue its aims and objectives pertaining to the same without floundering in legal terminology.

The talk programme was chaired by Mr. Nutan Thapaliya, who proposed the inclusion of among others, an appeal to the Bhutanese Monarch to facilitate the speedy return of the Bhutanese refugees with due honour and respect.

Koirala Interviewed by Indian Newspaper

46001233A Kathmandu *THE RISING NEPAL*
in English 2 Dec 92 pp 1, 7

[Interview with Prime Minister Girija Prasad Koirala by K.S. Tamor; place and date not given: "Democracy Progressing Well: PM (Prime Minister)"]

[Text] Kathmandu, Dec. 1 (RSS): Prime Minister Girija Prasad Koirala has said that democracy was progressing well in Nepal.

Prime Minister Koirala made this remark in an interview given to the correspondent of the Indian newspaper "THE HINDUSTAN TIMES" Mr. K.S. Tamor.

Mr. Koirala said that we have miles to go to strengthen the roots of democracy in Nepal but we are committed to achieving our goals in future.

Stating that we have been successful in holding free and fair parliamentary elections followed by the local bodies elections in the country, Mr. Koirala expressed satisfaction with the progress being made in institutional development of democracy in the country.

In reply to a query relating to the role played by the main opposition party, Premier Koirala said he would welcome the positive role of the communists as he believed in the multi-party system. But unfortunately they are restoring to agitational role since the dawn of democracy in the country, he added.

The Prime Minister said "I will appreciate if they stop indulging in petty party politics specially when interests of the innocent people of our country are involved. Communists have hardly given serious thought to contribute in the welfare of the people and they instead indulge in slogan shouting on every issue."

"I do not think that there are serious differences amongst the senior leaders over policy matters, he said adding Nepali Congress is a developing organization and there has been improvement in establishing better coordination after the party convention held in Jhapa this year."

Mr. Koirala said a relationship between the government and organizational wing was being established which would prove fruitful in the fulfilment of the election promises.

Mr. Koirala said "it is my belief that the government can be effectively run only if there is least interference from the organisation in its day to day administrative functioning."

Acknowledging that the district development councils did not have sufficient funds though the government had left no stone unturned to allocate the funds to these councils, Mr. Koirala expressed the hope that the office-bearers of the district development councils could properly utilize the funds allocated to them.

Stating that he faced no major problems in implementing the understandings reached between Nepal and India, Mr. Koirala threw light on the constitutional provisions and said that as the Tanakpur barrage issue is pending before the Supreme Court, it will not be proper to comment on this issue.

Referring to the economic liberalisation and privatisation policies in India, Mr. Koirala said that the process of economic liberalisation in Nepal and India is complex and problematic which may be the result of economic compulsions in each country.

Nepal and India have got economic similarities, he said adding any experiment in India should have its influence in Nepal.

Referring to the problem of Bhutanese refugees in Nepal, Mr. Koirala said that he had tried to enlist the support and cooperation of the Bhutanese government to bring an end to the miseries of the Bhutanese refugees, held consultation with the opposition parties in Nepal and requested friendly countries to help in finding a solution to the problem which is growing from bad to worse.

It is also serious in nature keeping in view of the process of stabilisation of democracy in Nepal, he added.

On the question of human rights, Prime Minister Koirala said that he stood for the preservation of human rights and favours the universal acceptance of this principle.

In this connection, Mr. Koirala made it clear that our policy clearly says that our view should not stand in the path of maintaining the good relations with any country particularly China and Bhutan.

Bhattarai Names Members of Congress Committees

46001232A Kathmandu *THE RISING NEPAL*
in English 3 Dec 92 pp 1, 7

[Article: "27-Member NC (Nepali Congress) Central Working Committee Unveiled"; boldface words, quotation marks as published]

[Text]Kathmandu, Dec. 2: President of the ruling Nepali Congress Krishna Prasad Bhattarai constituted today a 27-member Central Working Committee [CWC] putting an end to speculations about the new executive organ of the party. Party Supremo Ganesh Man Singh is the permanent special invitee to the CWC, the strength of which has been raised from the earlier 25 members.

Mr. Mahendra Narayan Nidhi has been appointed General Secretary while Basudev Risal is joint general secretary of the party. The new treasurer of the Nepali Congress is Khanup Rude "Rambabu."

Prime Minister Girija Prasad Koirala, Mrs. Mangala Devi Singh, Sushil Koirala, Ms. Shanay Acharya and Kuber Sharma are among members of the CWC.

Mr. Bhattarai also appointed Basudev Risal, Nilambar Panthi and Taranath Rana Bhat as members of the General Council and representatives to the National Convention of the party. All three have also been inducted in the new CWC.

Twelve of the CWC members are new while Mr. Bhattarai has dropped eight members of the old CWC from the new executive organ of the party.

Other members of the CWC are: Bal Bahadur Rai, Sheikh Idris, Nilambar Panthi, Sher Bahadur Deupa, Ram Chandra Poudel, Chiranjibi Wagle, Surya Bhakta Adhikary, Atma Ram Ojha, Bharat Shumsher, Dhundiraj Shastri, Bhu Bikram Newang, Bal Bahadur K.C., Tara Nath Ranabhat, Mrs. Nona Koirala, Bhim Prasad Shrestha, Mani Kumar Lama, Durga Dutta Joshi and Siddha Raj Ojha.

Those members of the old CWC who have been dropped this time include: Yog Prasad Upadhyay, Beni Bahadur Karki, Min Bahadur Gurung, Krishna Kumar Joshi, Khum Bahadur Khadka, Bhim Bahadur Tamang, C.K. Prasai and Jagannath Acharya.

The first meeting of the CWC will be held on December 18 in Kathmandu which will decide the date and venue for the General Council meeting of the party.

Mr. Bhattarai has set up eight committees each coordinated by a CWC member. Members of these committees have also been drawn from among the party workers who have long innings of their work with the party but are not members of the CWC. "An effort has been made to absorb these talents and ensure that they can make their best efforts for the party," Mr. Bhattarai said.

Mr. Bhattarai admitted that the constitution of the CWC was delayed beyond general expectations which was due to certain circumstances. "But the fault for all this delay is mine," he said.

Mr. Bhattarai said the CWC could come earlier than this but he himself had to be preoccupied in some other work including some of the outstanding visits to some friendly countries and the work relating to the South Asian Poverty Alleviation Commission of which he is the chairman.

On the composition of the new CWC, Mr. Bhattarai said he had been influenced by three considerations.

At the first place there was the need to maintain the continuity and on the second, the party traditions had also to be respected and honoured. And then, a new generation of leaders had also to be trained. "I can't leave the old generation. I have the responsibility also to train the new generation." He said 47 per cent of the CWC members are new.

Mr. Bhattarai said though it was his privilege to decide who should be in the CWC, the new team was decided in "consultation with Ganesh Manji and Prime Minister Girija Prasad Koirala."

"I am sure the (Central Working) Committee will be successful to resolve the problems presently faced in the party," Mr. Bhattarai told a questioner who wanted to know if he would be able to resolve the differences within the party.

Eight committees include: Joint General Secretary Basu Dev Risal is the coordinator of the Political Committee which includes Sher Bahadur Deupa, Ram Chandra Poudel, Dhundiraj Shastri, Prem Raj Angdembe, Ram Chandra Kushbaha, Krishna Kumar Joshi, Haribol Bhattarai, Bimalendra Nidhi, Omkar Prasad Shrestha and Tirtha Dangol.

Khanup Rude "Rambabu" coordinates the Economic Committee which includes Bharat Shumsher, Kuber Sharma, Jagat Raj Shakya, P. L. Singh, Bekha Ratna Shakya, Ram Krishna Tamrakar, Mrs. Mina Pandley, Ms. Maiya Devi Shrestha, Rukma Shumsher and Govinda Prasad Kandel.

The Development Committee is coordinated by Chiranjibi Wagle and it includes Rohini Dev Bhatta, Dr. Purna Kant Adhikary, Devendra Nepali, K.B. Gurung, Hira

Dutta Bhatta, Tarini Dutta Chataut, Tek Bahadur Chokhyal, Krishna Singh Pariyar, Dal Singh Thapa, Udayanath Adhikari, Bharat Prasad Upreti and Badri Basnet.

Sushil Koirala is the coordinator of the Foreign Relations Committee which also includes Gopal Man Shrestha, Rishikesh Gautam, Ms. Shailaja Acharya, Bhagawat Gwy-anwali, Bhim Bahadur Tamang, Khagendra Regmi, Mahesh Acharya and Arjun Narsingh K.C.

The Social Committee is coordinated by Bhu Bikram Newang and includes Lok Nath Joshi, Hari Nepal, Dwarika Prasad Pradhan, Basu Dev Bhatta, Kalu Ram Rana Magar, Shukraraj Sharma, Dal Singh Kami, Mrs. Lila Koirala, Rajendra Kharel, Dilli Prasad Sitaula, Shushila Sharma, Chet Kumari Dahal, Prof. Chitra Bahadur Karki and Dilli Raman Sharma.

Dhundiraj Shastri coordinates the Principle, Policy and Programme Coordination Committee which includes Sheshnath Adhikari, Shyam Lal Shrestha, Ram Hari Joshi, Basu Koirala, Bidur Prasad Poudel, Bhim Karki, Prof. Ram Prasad Sharma and Nara Hari Acharya.

The Land Planning Committee is coordinated by Durga Dutta Joshi and includes Bishwanath Prasad Agrawal, Jagannath Acharya, Hem Raj Koirala, Tej Prakesh Rijal, Ram Krishna Amatya, Badri Ram Bhandari, Lekh Nath Neupane, Hari Nath Bastola, Govinda Kandel, Ram Chandra Adhikari, Chhabi Kumar Devakota, Hari Prasad Choudhury, Prof. Gopal Karki and Indra Dev Singh.

Bal Bahadur K.C. is the coordinator of the Youth and Students Committee which includes Gyanendra Bahadur Karki, Ashok Koirala, Arjun Thapa, Bal Krishna Khand, Ms. Kamala Panta, Surendra Choudhury, N.P. Saud, Purna Khadka, Prakash Man Singh, Krishna Prasad Sitaula, Bijay Kumar Gachhedar, Khum Bahadur Khadka, Radhe Shyam Jonchhe and Govinda Raj Joshi.

RSS adds: Nepali Congress president Krishna Prasad Bhattarai has appointed Basu Dev Risal, Nilambar Panthi and Taranath Ranabhat as the representatives of the general conference and members of the 'Mahasamiti' by exercising his rights under article 13 (a) and 12 (a) of the Nepali Congress, the Nepali Congress central office said here today.

Koirala, Others Address Investment Forum

46001234A Kathmandu *THE RISING NEPAL*
in English 1 Dec 92 pp 1, 7

[Article: "Koirala Assures Healthy Climate For Investment"; boldface words as published]

[Text] Kathmandu, Nov. 30: The Prime Minister, Mr. Girija Prasad Koirala, while pointing out that the commitment of His Majesty's Government to support, encourage and facilitate foreign industrial undertakings was in keeping with the directive principles of the new Constitution of Nepal, further assured the more than 300

foreign investors hailing from over 25 countries that the government would, even if it has to simplify some procedures of its economic policy, leave no stone unturned to ensure favourable investment conditions for them.

Premier Koirala was speaking at the inaugural function of the Nepal Investment Forum jointly organised by His Majesty's Government, UNDP (United Nations Development Programme) and UNIDO (United Nations' Industrial Development Organisation) in the capital, Monday. The five-day meeting is being participated in by about 345 industrialists and investors, including those from Nepal, to pave the way for more investment in the Nepalese industrial sector.

Terming all the participants to the meeting of the Nepal Investment Forum as "partners of progress," Premier Koirala, while pointing out that the government had completed a series of fundamental policy reforms to create a congenial climate and environment for growth and development in the Nepalese economy, further said, "Our major thrust has been towards an open economy with the creation of liberal economic environment in which the private sector has been encouraged to take the lead in business activities."

We are very much aware of the fact that we cannot go alone in the present age of interdependence, he said. Considering the stage of our development we believe that mutual cooperation adds strength to mutual relationship since we also strongly believe that the foreign joint ventures will engender a new population of experts who will lead each partner towards prosperity, he further said.

While pointing out that the Nepal Investment Forum's meet was being held at a very crucial stage of Nepal's development, Premier Koirala said. "To my mind, investment should mean reinvesting, repositioning, and growing. In this context, we want long-term investments that would have acceptable risk profiles and higher growth rates than we have to present," he added.

Assuring all the participants that there will be no state intervention on their ventures beyond the framework of law, the Prime Minister expressed the hopes that the New Foreign Investment, One Window Policy and the related laws enacted by the government would provide a favourable base for foreign investors to operate smoothly in Nepal.

The Prime Minister, while reiterating the government's belief that such investments could contribute to the development of the country, further pointed out that joint ventures would be benefiting the economy both in terms of growth and linkages and integrations amongst various sectors, thereby resulting in a better and more efficient use of resources.

Premier Koirala, while wishing all participants attending the forum success in their business negotiations, further said, "You all will be getting only carrots, and not the stick, here."

Tendering his gratitude to the UNDP and UNIDO for extending their support to the ministry of industry in organizing the forum, the Prime Minister expressed his conviction that both the U.N. organisations would continue to assist the Ministry of Industry so that initiatives taken at the ongoing forum would be carefully monitored and effective follow-up action taken to ensure a satisfactory outcome of the meet.

The Minister of State for Industry and Labour, Mr. Ram Krishna Tamrakar, speaking on the occasion, said that the forum was one of the major economic development exercises that the present government had initiated for the industrialization of the country by ameliorating the economic standard of the masses.

Expressing confidence that the foreign investors' participation in the industrial activities will strengthen the government's resolve and determination to fulfil the aspirations of the Nepalese people, Minister of State Tamrakar further hoped that the foreign investors, along with the Nepalese partners, will definitely tie up with appropriate industrial proposals in order to make the ongoing forum a success.

The Minister of State, while pointing out that the ongoing forum was one of the pivotal steps of the government towards bringing the strong hands together for incorporating beneficial ventures which could be instrumental in sharing resources in a more productive and meaningful way for mutual prosperity, further said that such joint ventures would, apart from leading to the enhancement of the existing good relation between Nepal and the respective governments, also assist in the economic and industrial development of Nepal.

Thanking all those at home and abroad for their contributions from their respective sides in ensuring the success of the Nepal Investment Forum, Minister of State Tamrakar further assured all the participants that the government was committed to fulfil its obligation in order to materialize all their ventures in time.

Mr. Jerrold Berke, the UNDP Resident Representative, while highlighting the specific role of the United Nations Development Programme in general and the importance of the ongoing investment Forum's meet to Nepal in particular, said that while the immediate imperatives of the rural masses in a predominantly agriculture-dominated country like Nepal must be met, the future transformation and prosperity of the country, to which agriculture must contribute, lie in achieving a higher level of industrialization.

"It is only through industry that jobs for an increasingly urbanized population can be created, that the variety of goods and services necessary to a modern society can be produced, and that international trade can be increased

with all its attendant benefits in a world that is increasingly growing together and becoming more interdependent," he said.

Pointing out that Nepal has already amply demonstrated in the carpet and garment industries, that it has the ability to penetrate the European market and beyond, Mr. Berke, while enunciating the positive points for making investments in Nepal, further opined that if all the participants to the forum could make the deals that they have had come to Nepal to make, they will not only bring the goal of economic development measurably closer, but they would additionally be benefitting their businesses as well as themselves too.

Mr. Enerst E. Obminski, the Deputy-Director General of UNIDO, after dwelling for some time on the significant role that UNIDO has been playing in, among others, promoting direct cooperation with the public and private sectors as well as in assisting industrial enterprises by adopting impartial intermediary role free from the profit motive and commercial pressures, said that for Nepal the ongoing forum would be offering new opportunities for growth in the manufacturing sector.

Calling foreign investment as a powerful instrument of development policy as it has the potential to contribute the much-needed resources to developing countries, Mr. Obminski further pointed out that through international cooperation, foreign investment could help in improving the competitive position of Nepal's industry abroad, thus adding strength to the country's endeavour to stimulate private investment and promote exports.

Mr. Mahesh Lal Pradhan, President of FNCCI [Federation of Nepalese Chamber of Commerce and Industry], conveyed to the foreign participants and investors the Nepalese counterparts' message of their willingness to collaborate with them to explore out the possibilities of working together so as to, among others, accelerate Nepal's economic growth through profitability. Mr. Pradhan further brought to their notice that the FNCCI, with a view to providing required services, as well as to assist them in sorting out any problem or confusion regarding the policies and procedures concerning foreign investments adopted by the government, had already deputed its competent senior officers who would be available at the FNCCI Desk at the forum's venue.

The president of the FNCCI, while further informing the participants of an industrial display organised by FNCCI and which they would be visiting on the 2nd of December, expressed the hope that the display would apart from giving them a fair idea of Nepal's existing products, lead to the sharing of experiences and serve its purpose well.

Seminar Discusses Relations With EC

46001231A Kathmandu *THE RISING SUN* in English
11 Dec 29 pp 1, 11

[Article: "PM (Prime Minister) Sees New Potential in Nepal-EC Relations"]

[Text] Kathmandu, Dec. 10 (RSS): Prime Minister Girija Prasad Koirala has said "Nepal's close ties with the European Community were nurtured and sustained over the years by traditions of history, culture and scholarship. Today, these ties of ours have moved on to a new potential where we can perceive a new purpose and urgency to come closer on the economic front."

Prime Minister Koirala made this remark while inaugurating the "EC Seminar on Single Market" being organised by the European Community (EC) in collaboration with the Trade Promotion Center here this morning.

Noting that this workshop seminar has been tailored to help its participants to acquire an understanding of the wide-ranging changes that the European Community plans to introduce in the near future, Mr. Koirala said these changes are expected to have deep implications on both policy and procedural aspects of banking, finance, investment, trade and other matters and in their totality will not only influence the interrelationship between the member states within the community but also beyond.

Obviously there is much anticipation and hope in several developing countries like Nepal, he said.

To us here in Nepal, Mr. Koirala said nothing comes as more welcome and opportune at this time than to have a dialogue through a workshop seminar of this kind with our friends, partners and well wishers in the international community. We have always cherished goodwill, understanding and benefited from their cooperation, he added.

After the historic democratic restoration, we have embarked upon our programme of national economic reconstruction, he said adding the Nepali Congress government, in conformity with the mandate conferred on it by the people has come out with a series of bold, innovative action plans to invigorate different spheres of our national economy.

We have deregulated the domestic air service and the banking sector, welcomed private entrepreneurship, simplified the licensing procedures on our imports and exports, and eased restrictions on the foreign exchange, he said adding the one objective of this government is to create in the country a condition where fair private entrepreneurship will get its full rewards and where the private sector will be held in high esteem.

As we concern ourselves with the ways and means of transforming national economy, the final test would be what difference will all this make to bring hope, solace and cheers to the poor millions of Nepal. I exhort my colleagues in the government and the private sector to take this test.

Stating that "Nepal Investment Forum" in Kathmandu is a great success, Mr. Koirala said a forum of this kind is clearly a testimony to credibility and confidence that Nepal has achieved to generate among its investor friends from around the world.

Speaking from the chair vice-chairman of the National Planning Commission Dr. Ramsaran Mahat said that trade is the key to the all round development of the country.

Dr. Mahat said that favourable changes have been made for the economic development of Nepal.

Noting that 60 per cent of Nepal's exports are made to the European market, Dr. Mahat said that majority of these goods are produced by the small entrepreneurs of Nepal.

On the occasion residential representative of EC David Dilling read out the speech of Mrs. Francine Henrich, ambassador head of delegation of the commission of the European Communities. Mrs. Henrich said that the European Community had been following with great interest the progress being made during the last year by His Majesty's Government of Nepal.

Nepal, is moving forward in all fields. It has witnessed a successful transition to a democratic system and has put in place a liberalization of the economy and a structural adjustment programme with emphasis on private sector initiatives, many changes in the administration and more efficiency in the management of the economy, she said.

These adjustments are, in fact, more difficult in a democratic regime, she said adding the opposition and vested interests which can freely express themselves are not so keen to accept the temporary constraints which are necessary in order to meet the challenge of competition in a free market economy.

Mrs. Francine said the new open-door policy and its accompanying measures recently inaugurated between India and Nepal will no doubt ease the trade on both sides, attract new investments in Nepal and promote joint ventures between private sectors in the two countries.

As far as EC-Nepal relations are concerned, Mrs. Francine said that she was convinced that the development of the single European market, although certainly a challenge, can open new opportunities for Nepal.

Mrs. Francine could not attend the opening ceremony because of the cancellation of her flight in Delhi.

General manager of the Trade Promotion Center Bindudhoj Adhikari said that the center had been active in promoting trade since the last two decades.

Mr. Adhikari said that the seminar is being organised at an appropriate time.

The two-day seminar is being attended by representatives of the EC and Nepalese industrialists.

The seminar will hold extensive discussions on the carpet, ready made garments and leather industries, and different aspects of industries and trade.

Russian Doctors for War-Torn North East Sought
93AS0576C Colombo *THE ISLAND* in English
22 Jan 93 p 1

[Article by Shamindra Ferdinando]

[Text] Sri Lanka, facing an acute shortage of medical specialists plans to obtain the services of Russian doctors shortly with a view to improving health services particularly in the war-torn North-East region, official sources told *THE ISLAND*. A spokesperson for the Health and Women's Affairs Ministry said the Sri Lanka Government had sought the services of the Russians through the embassy in Colombo late last year. "We are awaiting a response from them," he said.

Sri Lankan medical experts have warned that surgical services in the country were on the verge of collapse. The moves to secure the services of the Russians comes at a time when Sri Lanka was depending heavily on the Paris-based Medicine Sans Frontieres (MSF), a medical relief organisation and Cuban and the Pakistani medical specialists to maintain vital surgical services, in the North-East and Anuradhapura districts, official admitted.

The medical coordinator for the MSF in Colombo, Dr. Anne Vincent, said three surgeons and five anaesthetists were among 22 foreign personnel working in the hospitals of Point Pedro, Mannar, Madhu, Trincomalee and Moneragala.

Dr. Vincent said the Pakistani specialists who arrived in the country a few days ago will work with MSF personnel at the Trincomalee and Mannar hospitals. A Health Ministry spokesperson said the Pakistanis were scheduled to start work in five hospitals, Mannar, Trincomalee, Anuradhapura, Vavuniya and Ampara, beginning yesterday.

Dr. Vincent announced that MSF personnel would be withdrawing from Trincomalee and Mannar by late next month after the Pakistanis had familiarized themselves with hospital operations there. But she maintained that the withdrawal from Trincomalee and Mannar did not mean any drop in the MSF involvement in medical relief operations in this country.

In the government hospital Ampara, the surgical services are expected to improve with the stationing of the Pakistanis.

Cuban specialists have been working in the government hospitals at Ampara and Polonnaruwa for the past two years.

Officials described the recent arrival of Pakistanis and the anticipated arrival of the Russians as a "great boost" to the surgical services in the North-East region and north central areas.

Military officials have welcomed the deployment of more specialists, particularly surgeons and anaesthetists in government hospitals in the war zone as this would enable wounded servicemen and police [to] obtain better

treatment. They said that in the past the failure of the authorities to post specialists to these areas, had cost many military and civilian lives.

Medical experts blamed "poor planning" at national level, a lack of incentive for postings in "difficult areas" and the failure of Sri Lankan doctors to return after undergoing overseas training as the principal factors compelling the government to "import" foreign medical personnel.

LTTE Blames India for Death of Kittu

93AS0576A Colombo *THE ISLAND* in English
22 Jan 93 p 1

[Text] The Liberation Tigers of Tamil Eelam [LTTE] has blamed India for the death of its popular top-ranker Sathasivam Krishnakumar alias Kittu and declares that this "crime" should not go unpunished.

In a media statement issued from its London office, the LTTE accuses the Indian Navy of violating international law by intercepting the ship carrying Kittu in international waters and forcing the vessel into Indian waters where, the Tigers allege, Indian frigates fired on the ship and attempted to board it after surrounding it for 3 days.

"India is accountable for the actions which resulted in Kittu's death—which are gross violations of international law," states the LTTE.

The statement warns that "the subversion of the rule of international law anywhere sets precedents and serves to undermine stability anywhere."

The LTTE statement also adds:

A cargo ship carrying Senior LTTE Central Committee member, Sathasivam Krishnakumar (also known as Kittu) and other LTTE cadres was intercepted by the Indian Navy in international waters on Wednesday, 13th January at about 10 p.m.. Kittu was travelling aboard the M.V. Ahad, a 280-ton cargo vessel. The ship was intercepted in the Indian Ocean (Latitude 6 degrees, longitude 85 degrees), 290 miles east of Hambantota in South Sri Lanka and 440 miles south east of South India. The ship was then escorted towards Tamil Nadu by Indian Navy frigates.

The Indian authorities having blacked out all news of the interception for more than 35 hours and having refused to officially confirm or deny the interception for another 24 hours, eventually, on the afternoon of Saturday, January 16 said that the ship in which Kittu travelled had exploded and that Kittu was not one of the survivors. It also transpires that the ship had been fired on by the Indian Navy to compel Kittu to surrender. India stands condemned for the death of Kittu. The interception of the ship in international waters was a high handed act of piracy by the Indian Navy.

India's action against Kittu, is not only a crime against the people of Tamil Nadu and their struggle for freedom and justice but also an act of piracy and a crime against humanity. The Tamils the world over and the international community cannot and should not allow crimes such as these to go unpunished."

Sri Lanka Peoples' Congress Protests Ayodhya

93AS0492A Colombo *THE ISLAND* in English
19 Dec 92 p 4

[Text] The following resolution was adopted at the mass-meeting organised by the Sri Lanka Peoples' Congress to protest against the destruction of the Babri Masjid in Ayodhya held at the Lafir Cassim Auditorium, YMMA [Young Men's Muslim Association], Maligawatte, Colombo 10, on December 13.

"The People of Sri Lanka strongly condemn the desecration of the historic Babri Mosque in Ayodhya, UP [Uttar Pradesh] in India by some misguided Hindu fanatics.

"We also express our disappointment at the fact that the Government of India did not take timely action to stop this incident.

"We strongly urge that the Government of India takes positive steps to re-construct the Masjid to its former grandeur once again. This should only not be in words but it should also be done in deed and act.

"We also strongly request the Indian Government to see to it that in the future no such incidents are repeated in India where there are over 100 million Muslims living."

This resolution was proposed by Haji Karim Yousef and seconded by Velanai Vernian and unanimously adopted.

Reports on President's Speeches to UNP

Speech to National Executive

93AS0497A Colombo *DAILY NEWS* in English
21 Dec 92 pp 3, 4

[Text] President Ranasinghe Premadasa, addressing the 4,000 member National Executive Committee of the United National Party (UNP), Saturday highlighted the achievements of the Government from 1988 to 1992.

The highlights are:

- In 1988 the Gross Domestic Product (GDP) was Rs [Rupees] 222 billion. Today the GDP is Rs. 435 billion.
- In 1988 inflation was 22 percent. Today it has come down to 12 percent.
- The GNP per capita income of Sri Lanka has risen to U.S.\$510—the highest among South Asian countries.

—In 1988 the Government had to print money to the tune of Rs. 10 billion resulting in rise in inflation. Today the Government does not print even a cent.

—State sector enterprises which had been a burden on the people have been divested or peopled to be run as viable enterprises and the burden on the people lessened.

The Ceylon Transport Board was running at a loss of around Rs. 400 million a year. They have been peopled and running as viable enterprises.

State Plantations which had been running at enormous losses have been reconstructed to increase production and earn more revenue through better management. At the end of last year the two State Plantation Corporations incurred losses and overdrafts amounting to Rs. 6,500 million.

—Despite the increase in demands on Government funds, the Government has managed to reduce the budget deficit for the first time. In 1988 the deficit was 15 percent of the GDP. Today it is below 10 percent.

—The External Resources increased from U.S.\$587 million at the end of 1989 to U.S.\$1,292 million in July 1992—almost double the level inherited by the present Government. We are now in a position to finance five months' imports.

Revenue receipts reached an all-time high of Rs. 94 billion in 1992. It was only Rs 46 million in 1988. This has been achieved despite reduction of taxes, rates and customs duties. It was made possible through strict enforcement procedures and financial discipline.

Export Promotion

—In 1989 the total value of exports was Rs. 56,175.1m. This has increased to Rs 84,376.3m. in 1991. This is an increase of 50.2 percent during the two periods.

—The value of industrial exports increased dramatically during the past three years. In 1989 the value of industrial exports was Rs 28,496.9 million. This has increased to Rs 50,735.9 million in 1991—an increase of 78.2 percent.

The growth in the industrial sector has surged to 11 percent per annum. Today over 65 percent of our exports are industrial products. Garments exports led with 50 percent of total exports.

The successful EXPO '92 Exhibition & Fair held in November 1992 drew firm orders from prospective foreign buyers to the value of Rs 1.5 billion.

Investment

A total of 200 garment factories will start operations before December 31, 1992 providing employment to more than 100,000 youths mainly in rural areas. Each employee will be paid a minimum of Rs 2000/-per month plus a free breakfast, etc.

The net foreign exchange earnings per factory is estimated to be Rs 42 million per year making a total foreign exchange earnings of Rs 8,400 million for a year.

Employment under the Board of Investment Projects (former GCEC) grew by 19.4 percent during 1991. Foreign job order approvals increased by 52.5 percent in 1991 over the 1990 level. Foreign investment approvals by the GCEC have increased five-fold to over U.S.\$400 million. During the first half of this year alone 275 projects were approved by the GCEC. These projects are estimated to bring in investments of over Rs 20 billion.

Tourism

Tourist industry which received a severe blow in 1988-89 due to the JVP [Janata Vimukthi Peramuna] terrorism showed a rapid development with increase in tourist arrivals since 1990. In 1991 tourist arrivals reached 318,000 earning Rs. 6,463 million in foreign exchange generating 65,000 direct and indirect employment. Tourist arrivals in first half of this year was 178,030 and is expected to reach 400,000 by the end of 1992.

Foreign Aid

Aid inflows have increased steadily from U.S.\$600 million in 1989 to U.S.\$800 million in 1991.

The unprecedented flow of foreign investment, increase in tourist arrivals and the increase in foreign aid showed the degree to which Sri Lanka's image has improved abroad.

Increasing Incomes and Production

In our election manifesto we stated that our strategy in tackling the cost of living problem was to increase production and increasing income levels of the people.

While concerted attempts were made to increase production and promote exports income levels of various sectors have also been increased.

The Government is currently spending Rs 30 billion on salaries and pensions of public servants. This has increased by Rs 14 billion since 1988. Salary increases were given on three previous occasions during the past three years.

In addition Rs 4,000 million has now been allocated to grant the salary increase of 30 percent to all Government and Local Government employees subject to a minimum of Rs 500 per month from January 1, 1993. No other government has given the quantum of salary increases than granted by the present government during these three years.

Welfare Measures

Welfare benefits amounting to Rs. 10 billion are provided to the needy which was not existent in 1988.

Employment

The Sri Lanka labor force survey for the first quarter of 1991 estimates unemployment at 14.1 percent of the labour force. This is a significant improvement compared to 18 percent in 1987.

Due to the expansion of the private sector and the liberalisation of the economy, employment opportunities grew many fold during the past 3 years.

An estimated 1,352,000 jobs have been provided in the public and private sectors directly from 1989 to 1992.

Indirect Employment

The total number of motor vehicles which includes motor cars, motor cycles, lorries, private buses, dual purpose vehicles and tractors increased to 904,000 in 1991 from 630,000 in 1988—an increase of 274,000 vehicles. According to statistics half this number are motor cycles. The number of motor cycles increased by 210,000 during the past three years.

The direct and indirect employment generated as a result of the increase in the number of vehicles during the past three years is estimated to be around 500,000.

Peoplisation

Twenty-three public corporations were peoplised. Some of these peoplised ventures which were a burden on the people are now being run as viable projects after peoplisation. Workers in these ventures became shareholders many of them becoming owners of shares worth several lakhs of rupees overnight. Nearly 9,000 employees benefited in these peoplised ventures.

Plantation Management

State Plantations which had been running at a loss have been re-structured to increase production through better management. At the end of last year the Plantations Corporations incurred losses and overdrafts amounting to Rs 6,500 million.

No employee has been retrenched.

Only the management has been brought under private sector management companies.

Education

The number of teachers in the cadre which stood at 110,000 in 1988 increased to 184,000 in 1992. By the end of this year 6,500 more graduates will be employed.

Nine affiliated universities have already been set-up. The number of students registered so far in these colleges is around 2,000. All courses offered at these universities are job-oriented to meet the present day requirements of the country.

Provision of school mid-day meal continues providing nourishment to 4.3 million school children at a cost of Rs 1.5 billion per year.

School uniforms will be provided to 4.3 million school children including students at Pirivenas commencing January 1993. Although the cost of this project was originally estimated at Rs 1,000 million, it is understood that the present cost would be Rs 550 million due to various economic measures adopted in the operation.

1,200 mini-labs have been provided to schools by July 1992. Other equipment to schools have also been provided.

School Development Boards have been set up in all schools under Emergency Regulations. The aim of this programme is to get the maximum participation of parents, teachers, past pupils and students to develop their own schools.

Health

The Health Services continued to provide satisfactory services. The infant mortality rate stood at 17.6. Expectancy of life at birth for males was 67.8 and for females 71.7. Crude death rate was 6.2. This compared well with the indices in South Asia.

Rehabilitation and Reconstruction

A total sum of Rs. 11,178 million rupees has been spent between 1988 and October 1992 for providing relief and rehabilitation to victims of terrorism in the North and East as well as in other parts of the country due to JVP terror.

Besides, this a total sum of Rs 5,629 million was spent on providing essential services in the troubled areas from 1990 to 1992. A total of 119,154 families have also been rehabilitated between 1991 to October 1992.

Sports

Due to the encouragement given to improve the standard of sports of the country Shri Lankan athletes were able to win 44 Golds, 33 Silver and 41 Bronze medals at the successfully concluded South Asian Federation Games. Several athletes from the outstations did extremely well.

The Government is continuing assistance to sports bodies to improve sports and recreation facilities throughout the country.

Janasaviya

The Janasaviya Poverty Alleviation Programme which commenced in 1989 provided assistance to 325,000 families in various parts of the country to date. In the First Round of Janasaviya 121,000 families benefitted while in the Second Round 104,000 families and in the Third Round 100,000 families benefitted.

Of the 121,000 who completed 2 years Janasaviya support in Round One, 80 percent can now stand on their own feet earning incomes of Rs 1,500 or more per month. These

families have also been provided with Janasaviya Capital Entitlement Certificates worth Rs 25,000. They can now receive Rs 250 for same as interest.

The most outstanding feature that has emerged is the extent of savings the Janasaviya recipients have made out of their consumption component or Rs 1,458 per month. The savings accrued from the First Round was Rs 900 million while in the Second Round the savings amounts to Rs 800 so far.

The Janasaviya Trust Fund assisted a large number of Janasaviya recipients to set themselves up in self-employment projects. The number of projects launched to help them was 1,760. The total amount of funds allocated for these projects was Rs 139.3m. These projects generated direct employment to 7,040 persons.

Besides the two state banks other commercial banks have also been helping Janasaviya recipients to set up self-employment ventures.

Housing Programme

Under the 1.5 million houses programme nearly a million housing units have been constructed during the last three years on the initiation of various programmes for shelter.

Decentralisation of Administration

Administration was decentralised with the setting up of 206 Divisional Secretaries. The services and work of kachcheries at the district level were delegated to the relevant District Secretariats. This step spares the people the trouble of travelling long distances to District capitals to transact their business. They can now do so at their place of residence.

North-East Problem

The government is committed to abide by the consensus reached by the Parliamentary Select Committee comprising of Parties represented in Parliament in working out a solution to the North-East problem.

Terrorism in the North and East is denying the people vast resources of development. At least Rs 12 billion could be made available immediately if peace is restored.

Leadership to SAARC

Through leadership given to SAARC [South Asian Association for Regional Cooperation] Shri Lanka had made SAARC more meaningful to the peoples of the countries including Shri Lankans. The forging of people to people contact of various categories of people and associations, giving priority to Poverty Alleviation and paving the way

for liberalisation of trade among the SAARC nations were some of the measures initiated by Sri Lanka to benefit the people.

The meeting was held at Sirikotha, UNP [United National Party] headquarters, Sri Jayewardenepura, Kotte.

More on Speech to Executive

93AS0497B Colombo DAILY NEWS in English
21 Dec 92 p 17

[Article by A.S. Fernando; quotation marks as published]

[Text] The era of confrontational politics is over. Supportive politics is the order of the day, said President Ranasinghe Premadasa on Saturday.

Addressing a meeting of the UNP [United National Party] national executive committee held at Sirikotha, Pitakotte, the President said: "We, as a government, practise supportive politics. In fact, it is we who introduced value-based supportive politics into our polity."

The President explained that party politics conducted in a spirit of give and take and mutual understanding could be described as "supportive politics." In supportive politics a government would not reject the views or proposals of the opposition parties out of a sense of prestige. Nor would the opposition oppose every move by the government from a sense of antipathy or a confrontational stance.

"We, as a government, are prepared to support any policy of an opposition party that is acceptable to us. We are prepared to implement any good proposal, no matter that it has come from an opposition party. The era of confrontational politics is over for good. People now detest protest gimmicks, like noisy street demonstrations. Demonstrations like the holding of hand which create traffic snarls are a nuisance. People running a race against time to finish their day's work look on picketing and slogan-shouting as unnecessary obstructions," the President said.

If road users stopped in their tracks to watch certain 'protest shows' by the opposition, it was out of sheer curiosity or for entertainment. But some politicians tried to make out that such onlookers were supporters.

"In certain developed countries demonstrations are not allowed on the highway. There are certain public places, set apart for such activity and the law enforcement authorities ensure that demonstrations remain confined to such places without being a public nuisance."

The President pointed out that party politics was a must for the functioning of democracy, because it was the means of providing alternatives. However party politics which should be regarded as a blessing had become a curse because of the confrontational attitude of opposition political parties today.

"Are some of our opposition parties practising supportive politics today? They don't see any good in the government. Not only do they fail to see the good, they attribute wrongs to the government that it has never committed!"

It was the practice for every opposition political party to promise jobs to the unemployed and cheaper prices for essentials, if given power.

"In fact, 'Solve the unemployment problem' 'Bring down the cost of living' are the usual slogans of the opposition. Those who shout such slogans do not say how they propose to create these jobs or bring down living costs. They just repeat the slogans, parrot-like.

"On our part, in our manifesto, we did not say that we would create jobs out of thin air. We said we would launch pragmatic programs to create jobs, opportunities, income avenues. We did not promise to bring down the price of essentials. We said we would take measures to step up incomes to match living costs.

"What Mr. Ossie Abeygunasekera says in this respect is quite in consonance with our policy. He says low prices can adversely affect production. We have to depend on imports in the absence of local production. The lack of adequate foreign exchange reserves inhibits the import of essentials in adequate quantities. This results in queues.

"Our government has not only taken steps to step up production, but also to eliminate waste. We embarked on the peoplisation program too with this in view. Ministers Ranil Wickremesinghe and Wijayapala Mendis will tell you success stories of these peoplised ventures.

"We have strengthened the poorest of the poor through Janasaviya. Small industrialists are coming up in large numbers today, even from among Janasaviya beneficiaries. They are producing for the foreign market and earning valuable foreign exchange. Even once humble workers are becoming captains of industry, masters of their destiny!

"Opposition politicians who have no alternative to offer are trying to get people to parrot the old and hackneyed political slogans about living costs. They still advocate nationalisation as a panacea for all economic ills. Are we to nationalise everything and go back to queues again? We must realise that we can reduce imports to the extent that we step up local production.

"While doing everything possible to invigorate our economy, we are looking after the welfare sector too. We are upgrading the quality of social welfare, health care and education. We have launched programs to equip our youth with skills in various areas of modern technology.

"Forty-three lakhs of school children are enjoying a free mid-day meal today and will receive free school uniforms too, from next year. Is this not an indirect way of

reducing the living costs of our people? In fact, even our administrative changes have gone far in reducing living costs in an indirect way.

For example, the setting up of divisional secretariats has spared the public the trouble and expense of travelling to distant administrative centres. What they save in terms of time, energy and bus or train fare is de facto a decrease in living costs!

"Government servants too are equally benefited. They need not travel long distances not to go to work.

"What three women employees of the Weeraketiya Pradeshiya Sabha secretariat told me recently amply illustrates my point. These three employees told me that they were earlier attached to the Hambantota kachcheri. Because of the inconvenience and high cost of travelling to work from Weeraketiya they lodged in what they described as a chummary during the week. Their monthly pay was about Rs 1,700 and they spent as much as Rs 700 a month on lodging and food alone!

"Now at Weeraketiya they go to office from home and take their monthly pay home intact. Haven't government employees like these three girls got virtual pay increases as a result of our programs?"

The President added: "Speaking of pay increases, I should say that no previous government has granted such substantial pay hikes."

Speech to Convention

93AS0497C Colombo THE ISLAND in English
21 Dec 92 pp 1, 3

[Article by Suresh Mohamed]

[Text] "The United National Party (UNP) is positive of emerging victorious at the next Presidential and Parliamentary elections. The UNP will win and there are no two words about that. But, the resolution of the North East conflict and ushering in peace and prosperity to the entire country is of more significance than winning the next polls. We must 'win' the ethnic question and free the country from terrorism," President Ranasinghe Premadasa declared yesterday.

"Winning the North-East conflict through a reasonable political solution will be a special victory. First priority is attached not to winning the next Presidential and General elections, but evolving a lasting settlement to the North-East crisis. We must ensure that the country does not disintegrate and break up into two or three pieces. We don't believe in a military solution. We are searching for a durable political solution and that can only be achieved through goodwill and understanding," the President told the mammoth 38th Annual Convention of the United National Party (UNP) at the Colombo Sugathadasa Indoor Stadium.

The President said: "It's easy to break up into bits and pieces. That's why we are stressing peace. If there is no

peace, there will be pieces. The absence of peace will result in it breaking up into pieces. We want to avoid that. We want to ensure that the country will not break up. Our greatest ambition is the resolution of the North-East conflict and usher peace and prosperity all over Sri Lanka."

He added: "The UNP is the only united party in Sri Lanka. I also have a right to say that ours is also the only national party in the country. We achieved all this because we stood for democracy and unity. That was how we were able to gain independence and become a sovereign state. Our party has always upheld the fundamental rights of the people. We have stood for the rights of the masses and always upheld the dignity of the people. We curbed the JVP [Janata Vimukthi Peramuna] orgy of terror and violence and restored peace and normalcy in seven provinces. Only the North-East problem remained to be resolved. We are doing our best through a process of consultation to achieve some sort of consensus to end the conflict. The era of political confrontation is over; we are ushering in an era of political harmony. During the past three years, we have been following this pattern in all our endeavours to serve the people. We have in our midst a Parliamentary team from the Federal Republic of Germany. Through the endeavours and wisdom of German leaders, the two Germanys which were separated with East on one side and West on the other, were unified. They united and today there is one Germany.

The President said: "There is a strong possibility that North Korea and South Korea will also unite very soon. The world is moving away from dictatorial systems. People the world over are embracing democracy. The world is moving away from isolation and restrictions and heading towards liberalisation. It was one time U.S. President, Abraham Lincoln who declared: "You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong. You cannot help the wage earner by pulling down the wage payer. You cannot further the brotherhood of man by encouraging class hatred. You cannot help the poor by destroying the rich. You cannot keep out of trouble by spending more than you earn. You cannot build character and courage by taking away man's initiative and independence. You cannot help men permanently by doing for them what they could and should do for themselves."

He explained: "These are declared policies and programmes the U.S. is implementing in a very effective and lucid manner. This was the vision of the late Abraham Lincoln, who was a great and illustrious President. He expressed his vision through this statement of his. Mr. Lincoln's life was taken away by a criminal. This vision of the late U.S. President is now being implemented in tiny Sri Lanka. It is true that parties have political ideologies, but as the UNP is following a conciliatory political programme, there can be a coming together to find common ground to serve the common people. We are committed to usher in an era where all

people, be they Sinhalese, Tamils, Muslims or Burghers can live in unity and amity as children of one mother. On January 2 next year, the fourth anniversary of the induction of the President will be celebrated in the upcountry kingdom of historic Senkadagala. At the Sri Dalada Maligawa, we will renew the pledge given to the masses. On that day assistance will be given to 3,000 trainees of Colleges of Education. Last year Sevana Sarana Foster Parent Scheme benefits were extended to two thousand children of the Kandy district. On the earlier occasion help was given to the disabled."

Continuing, the President observed: "This is the 38th annual convention of our party. Already 19 district-level conventions were held. These districts represent almost every province in the country including the North-East. We have yet to summon six district conventions. We have here at this convention 17,000 delegates of our party, who have paid a fee of Rs 10 each. The space inside this indoor stadium is not adequate to accommodate all of them; scores are outside. I regret this lack of room as the turnout is so huge. The UNP is a people-based party. We have a membership of 4.2 million, each of them paying an annual membership fee of Rs. 5 per annum. There are several Opposition party leaders, the German Parliamentary team, diplomats and other foreign guests at this unique convention. I recall the special session held here on October 9, 1988 to nominate me as the party's Presidential candidate. At that time there was the old indoor stadium building and this section was the old trolley bus garage. The country was then embroiled in violence but despite the carnage, our members came from all parts of the country. I was named candidate for the Presidential stakes and I humbly accepted the decision of my party. The election was held on December 19, 1988 and the results were out on the 20th.

He pointed out: "Today is also 20th of December and four years since my election. This date for the convention was chosen not intentionally. In working out the SAARC [South Asian Association for Regional Cooperation] schedule today, was destined for the convention. During the past four years, my election as President was endorsed four times, at the Presidential poll in 1988, the General election in 1989, the local government poll in 1991 and at the 1992 Supreme court election', which was also won. The people's verdict was ratified by the Supreme Court judgment. This meant that the people's verdict in 1988 was endorsed in every aspect. Plots and conspiracies could not defeat the will of the people. The attempt by traitors failed. We must sympathise with the architects of the impeachment motion, but we should never forget the sinister bid they made. As political parties we must work unitedly for public welfare. The UNP has entered the fold of solidarity politics. We must achieve it through peace, discipline and prosperity. Except for one, all other Tamil militant groups entered the democratic mainstream and are recognised political parties today.

"The President noted: "Our duty is to ensure social justice and leave no room for these groups which laid

down arms, to go back to militancy. We saved the country from JVP terror. A new trend in the economy has been created and the people are reaping the benefits. Sinhala and Tamil are state languages. The deserving are given their due place. Emphasis is on development and production. Incomes are being strengthened to cushion the impact of rising prices. Inflation is at a manageable level. Effective steps have been taken to solve the unemployment problem."

The address of welcome was made by Parliamentary Affairs and Environment Minister, M. Vincent Perera, who also received the President on arrival at the Stadium. Following the lighting of the traditional oil lamp, two minutes silence was observed in memory of party members who had died during the past year and those who had sacrificed their lives to protect and safeguard the sovereignty, integrity and unitary status of Sri Lanka. Thereafter UNP General Secretary, B. Sirisena Cooray presented the minutes of the 37th convention. After the appointment of party Chairman, General Secretary, Assistant Secretaries, General Treasurer, Assistant Treasurers and fifty National Executive committee members, a motion to delegate powers was moved by Rukman Senanayake. This was followed by the adoption of rules for district organisations and delegates to party convention and resolutions of the 38th annual convention.

DUNF, Communist, LSSP Election Plans Noted

93AS0496A Colombo *THE ISLAND* in English
20 Dec 92 p 1

[Article by Zacki Jabbar]

[Text] Amidst mounting speculation that a Presidential Election may be called early next year the Democratic United National Front (DUNF) yesterday indicated that it would be putting forward its own candidate to contest the election if and when called.

The DUNF's General Secretary G.M. Premachandra said yesterday that they would put forward their own candidates at any election that would be held including a Presidential Election.

Asked who their candidate at a Presidential election would be he said "we have still not decided on that."

Political sources said the majority of the left opposition is expected to back Mrs. Sirima Bandaranaike as the common candidate at a Presidential Election.

Unconfirmed reports speak of an independent candidate being promoted by certain quarters solely for the purpose of changing the Presidential system of Government.

Mr. Indika Gunawardena, a member of the Communist Party's Politburo said his party would definitely back Mrs. Bandaranaike, as the Opposition's Common Presidential candidate.

Mr. Batty Weerakoon a member of LSSP's [Lanka Sama Samaja Party] Politburo said his party would also support Mrs. Bandaranaike.

However he was of the view that the Government would not call any election in advance. "I think the President does not have the confidence to face an election. He knows what happened to Sir John Kotelawala and would not venture to call any election in advance," he added.

Paper Interviews SLFP Leader Bandaranaike

93AS0495A Colombo *THE ISLAND* in English
20 Dec 92 p 11

[Interview with Mrs. Srimavo Bandaranaike by Daya Lankapura; place and date not given]

[Text] SLFP [Sri Lanka Freedom Party] leader, Mrs. Bandaranaike, has been trying to settle the crisis in her party with son Anura and daughter Chandrika in opposing factions.

In her interview with Daya Lankapura of our sister paper, the DIVAINA, she said that even though she was not happy about speaking on internal disputes of the party, in order to dispel wrong notions and falsehoods spread about the party by its members she would grant an interview. Correct impressions were particularly called for because the SLFP will commence implementing a new programme for this party beginning next year, she said.

[Lankapura] It is alleged by many that the internal crisis in the SLFP has been mainly on the question of the party leadership. What are your comments?

[Bandaranaike] No person has so far challenged me on the leadership of the party. They say that they have no problems about me being party leader. Anura himself says so. But there are some within the SLFP who want me removed from the leadership. But they fear challenging me in the open because the people would not tolerate that.

[Lankapura] There has been much criticism in the newspapers about the crisis in the SLFP. Critics have said that you should step down from the party leadership. How do you react to that?

[Bandaranaike] The UNP [United National Party] has a great desire to remove me from the leadership of the party and split the SLFP into two. UNPers have been able to co-opt certain people in the SLFP for this task and is involved in a conspiracy against me. In this regard both the government-owned Lake House papers as well as the DIVAINA papers are extending support to the government. There have been similar conspiracies against me in the past such as when I was deprived of my civic rights and attempts made to remove me from the party leadership. In that instance our party supporters extended unqualified support to me and I was able to overcome that conspiracy.

[Lankapura] What action do you propose to take in the current crisis?

[Bandaranaike] My dedication to the party is such that I do not separate my life from the party and therefore whatever challenges that I may face, I will safeguard the SLFP. Our supporters are extending their fullest cooperation to me in this regard.

They cannot thwart my objectives however they may try by publishing scurrilous pamphlets and the scathing criticisms levelled at me through Lake House and DIVAINA newspapers.

[Lankapura] Is the allegation made by some party members that the failure to hold the party elections, is the main cause for the current crisis, correct?

[Bandaranaike] The party elections will be held on time and there is no doubt about that. The delay has been caused because of the failure to hold elections in party Organisations in many of the electorates. I have taken action to hold elections to associated party organisations because I wanted to expedite party elections.

[Lankapura] Didn't some problems crop up at elections to these associated party organisations?

[Bandaranaike] The intention of some of those who want elections is not to conduct elections but to wreck the party. SLFPers are aware that their intention is to weaken the party from within. At the recent elections to the party Bhikku organisation, it became apparent that some wanted to grab power through fraud and thuggery. Because of the prevalence of such conditions many party organisations have asked me not to hold party elections now.

[Lankapura] Given these conditions how long will it take to hold party elections?

[Bandaranaike] I will defeat all the conspiracies hatched against me and hold elections soon. At the elections any person will be able to contest office but I will not permit them to split up the party or use thuggery. They will have to conduct themselves in a peaceful manner. The thuggery which was evident at the recent Youth Conference cannot be tolerated.

[Lankapura] The opposition to the government has been rendered impotent because of the SLFP crisis and they are disgusted with the prevailing situation. They blame the SLFP leadership and some are even threatening to leave the SLFP. What do you propose to do in this regard?

[Bandaranaike] The situation is not so grave as the newspapers try to make it out to be. Last Monday, the Central Committee met and several matters of importance were discussed without any conflict and the decisions were unanimous. However, I too am aware that our party members are disappointed with the party now. In accordance to the opinion expressed for some time by our Central Committee members, senior officials, MPs

[members of Parliament] and organisers I am attempting to implement the party programme that had been approved earlier. I have summoned the MPs and allocated programmes to the committees concerned.

[Lankapura] What are these committees and when will they begin functioning?

[Bandaranaike] Twenty nine committees have been appointed with the objective of party reorganisation, seeking support of interest group and informing party members of the party programme. I have asked the MPs to appoint specialists in various fields to these committees. The committees functions will pertain to subjects such as: unemployment; those sacked from their jobs; relief for political victims; and assistance to small businessmen, teachers, fisherfolk, farmers, undergrads, artistes and trade unions. In addition to these, programmes have been drawn up for educational workshops, seminars, demonstrations and enthusing party workers. We hope to commence the new year with the implementation of these programmes. Those who want to remain static by crying out that there are party crises could remain behind. We are going ahead.

[Lankapura] What will be your priorities?

[Bandaranaike] Since the government is planning to hold elections next year, the top most priority will be the formation of an Opposition front. At the last meeting of the Central Committee it was decided that talks should commence immediately between six Opposition parties. Besides that, we are planning a demonstration—a walk from Horogolia to Colombo on January 7 and 8. In February we are planning to hold 100 public meetings throughout the country on a single day. A joint opposition committee has already agreed to these programmes.

[Lankapura] Mr. Anura Bandaranaike has alleged that Mrs Chandrika Kumaranatunga had entered the party through the back door and is attempting to secure high office. What are your reactions?

[Bandaranaike] When the UNP deprived me of my civic rights the people of Attanagalla wanted Chandrika to replace me at Attanagalla. At that time too there was much agitation on this issue and the party was divided into two.

It is incorrect to say that Chandrika had entered the party through the backdoor. She joined the SLFP branch of Attanagalla and on her name being proposed by two members of the Executive Committee she was elected Secretary of the Attanagalla branch of the SLFP. The constitution empowers me as President of the party to appoint party organisers. On that basis I appointed Chandrika as party organiser for Attanagalla.

[Lankapura] Wasn't Mr. Sugathadasa Seneviratne, the Secretary of the SLFP Attanagalla branch earlier?

[Bandaranaike] It was I who appointed him. Had I not proposed his name as secretary of the Attanagalla SLFP

executive committee, he wouldn't have got that post. On this occasion he did not contest.

[Lankapura] What are your comments on the appointment of Mrs. Kumaranatunga to the Central Committee?

[Bandaranaike] According to the party constitution I have the power to elect 11 members to the Central Committee. It was I who appointed Dr. Neville Fernando, Messrs C.V. Gooneratne, D.P. Wickremasinghe and the like to the Central Committee. But who says that they came in through the back door?

[Lankapura] Why did you appoint Chandrika to the Central Committee?

[Bandaranaike] Prof. Wishwa Warnapala who was appointed to the Central Committee by me resigned as he had to go abroad. Following requests by senior party officials, MPs, party organisers and intellectuals connected to the party, I appointed Chandrika.

[Lankapura] There are accusations made by certain factions in the party that you are exercising powers like a dictator.

[Bandaranaike] I have acted in accordance with the provisions of the constitution which was supported by Anura and all senior members who are now in the party. They at that time said that in order to safeguard the party it was necessary for the president to be vested with strong powers. At that time those who opposed the provision were few and they included Chandrika and Vijaya. It is surprising that some who supported these provisions are now complaining about the powers vested in me.

[Lankapura] The UNP accuses you of acting in a dictatorial manner. Mr. Ranil Wickremasinghe quite often makes this point in Parliament. Do you think you are vested with too much of power?

[Bandaranaike] The top most body of the UNP, its Executive Committee, comprises 50 members and all fifty members are appointed by the party leader. I appoint only 11 of 33 members of the Central Committee. Thus how can the UNP accuse me of having dictatorial powers?

[Lankapura] Some in your party are alleging that you have lost every election you faced since 1977.

[Bandaranaike] After losing the General Election in 1977 I was deprived of my civic rights in 1980. In consequence I could not participate in politics for the six years that followed. Legally I could not participate at elections, address election meetings, etc. At the same time there was a conspiracy to throw me out of the party and destroy the party. Thereafter the party split in two ways on two occasions. I was not permitted to contest the 1982 elections. Those were the reasons for the defeat. Nevertheless, I saved and protected the party till now. That is why the people still believe in me. The first

by-elections the party contested after my civic disabilities were removed was the Akmeemana by elections which we won.

At the last Presidential elections the UNP [United National Party] and the JVP [Janata Vimukthi Peramuna] spread terror, rigged the elections and snatched away victory from me. The former DIG [Deputy Inspector General] Mr. Premadasa Udugampola recently revealed facts about the so-called Black Cats. The public are aware of the conditions under which elections were held from the report of the Elections Commissioner. Therefore it is incorrect to say that I lost at the elections.

[Lankapura] What are your comments on the petition submitted to the Speaker by a group of MPs calling for the removal of Mr. Richard Pathirana from the post of Chief Whip of the Opposition?

[Bandaranaike] I appointed Mr. Richard Pathirana as Chief Opposition Whip and he is a dedicated person who has made great sacrifices and never gone to the government for favours. He attacks the government fearlessly. He has brought several motions against the government. It was wrong on the part of those who presented a petition to the Speaker to have done so. It is also unconstitutional. The Speaker has no power regarding the appointment and removal of the Chief Whip of the Opposition. I am sorry that those who forwarded the petition were unaware of these matters.

Some of those who signed the petition are now regretting it. Some have said that they were fooled and asked me to pardon them. Others say that they signed without knowing the correct position and are blaming those who forwarded the petition.

[Lankapura] Recently there were talks among Opposition parties for the formation of a broad Opposition front. How are you going to get about it again?

[Bandaranaike] We will proceed keeping in mind the interests of the SLFP and safeguarding our party policies. We will see to it that our party organisers will not be placed at a disadvantage while looking after the interests of the other parties too.

[Lankapura] What will be the prime objective of such an Opposition Front?

[Bandaranaike] Abolishing the prevailing Presidential system of government, restoring parliamentary democracy, and creating a society where the people will live without fear and suspicion.

[Lankapura] What is the reaction of other Opposition parties to the proposed front?

[Bandaranaike] The reaction has been very good. They are all for the formation of a broad front and are prepared to work with dedication. They have also realised the urgency to form such a front because an election may be held soon.

Former Finance Minister Returns, Politicks

93AS0494A Colombo *THE ISLAND* in English
20 Dec 92 p 11

[Article by Prabath Sahabandu; quotation marks as published]

[Text] Former Minister of Finance in the J.R. Jayewardene government, Ronnie de Mel who left the country unobtrusively in December 1988 following Mr. Premadasa winning the elections has now come home and is politicking amidst ceremony.

Mr. de Mel, pugnacious politician and iconoclastic orator after his self-imposed exile in London, appears at present to be hibernating pending yet another metamorphosis in his political life.

Speculations, in the meantime, are rife in the political circles as to the political future of Mr. de Mel. Some sections theorise that Mr. de Mel will rejoin the United National Party (UNP) while others believe that he would form an alliance with some other pro UNP elements ostracised by the Opposition.

Mr. de Mel, it is clear however, will go back to politics. *THE ISLAND* Sunday Edition spoke to Mr. de Mel this week:

Mr. de Mel asked how he viewed the political and economic situation in the country, said it was not correct to pontificate after returning from a four year stay abroad. He thought for the moment he was somewhat disoriented and it would take him some time to adjust himself.

"First of all I should go to the village and see for myself," Mr. de Mel said. For him it was not possible to get a real picture of the country from the city.

However, added that some of his supporters in Davinuwara had told him that living was not so hard as the Opposition portrayed it?

Why had he spent four years in London since December 1988?

"I did not want to return until the case against me was over. I did not want to spend at least a single minute in the dock as my conscience knew there was no truth in the charges against me," he said.

Circumstances that led to his self-imposed exile in London, he thought were known to the country and he did not want to comment on the grounds that he did not like to address controversial issues.

Mr. de Mel when reminded of the fact that he had been one of the strongest critics of Mr. Ranasinghe Premadasa during the presidential election campaign attacking the very basis of his concepts and programmes and asked what he (Mr. de Mel) thought of those days, said that he did not have anything personal against President Premadasa.

"It is true that I 'pooh-poohed' his housing and other programmes during the election campaign. What else can you expect from a member of the Opposition? It was my duty as an SLFPer [Sri Lanka Freedom Party] to attack his programmes. And I did so," Mr. de Mel said bursting into laughter. It was not only President Premadasa whom he had attacked, he added. Among those he had attacked politically was even Mrs. Sirimavo Bandaranaike, he said. These things, for Mr. de Mel, were trivial where politics was concerned.

Asked why he had decided to come back, Mr. de Mel looked somewhat offended:

"I would have been better off in London," he said. "I could have travelled all over the world meeting people—or six months of the year in Sri Lanka and six months abroad. But I decided to come back home to my people."

He said that people of this country had expected him to come back and this had been manifested in the warm welcome he had been given on his arrival. "I am not a minister. Nor am I at least an MP [member of Parliament]. But the people know about me and what I have done for them. They paid their gratitude. So it is my duty to do something for them," he added.

Mr. de Mel answering the question how he was going to serve the country again said that he had an economic programme. Placing the document (which he called 42-point economic programme) on the table he said that copies of it would be sent to many including the government and the Opposition. Asked for the document for publication he said it would be released to the press in due course.

"This country must now prepare for the 21st century," Mr. de Mel assumed his favourite role. "In my opinion the only solution to most of our problems is a programme of accelerated economic development." "But we in Sri Lanka are still talking of 1947, 1956, 1971 and so on. A country that only talks of the past will never go forward or progress in the future," he said.

The country, according to Mr. de Mel, should have an economic growth rate of 6 to 8 percent annually over a period of about 10 years. "This is not an easy target," he said. But it is not impossible, he stressed. "And there are essential prerequisites."

First the country had to have peace among the ethnic groups, he said. In this case the war in the Northeast had to be ended. "There should be either a quick military solution to the problem or a political one," Mr. de Mel stressed. "But I personally prefer a political solution as it is the only lasting solution," he added.

Because of the war the country had lost several big investors and they had turned to countries like Malaysia which despite its ethnic diversity with the Chinese composing 40 percent of the population while the Malays amounted to 55 percent, had achieved peace.

Secondly according to Mr. de Mel there had to be political peace between the two main political parties in the country—the UNP and the SLFP. These two parties he stressed had to join hands for the sake of the country. At elections they could go their own ways, he said. He said Germany had achieved this kind of coalition and it was now, he said 20 years old.

Asked what would be the position of the Tamil parties in this hypothetical situation, Mr. de Mel said that as the first thing the war had to be ended and thereafter the Tamil parties too would follow suit.

"I have been in both the UNP and the SLFP. Therefore I know the strength and weaknesses of each of them. I have studied them. And I have always felt that a coalition of this nature will serve the country best," he stressed, adding that at present in our politics the Opposition always tried to find fault with the government and vice versa. So long as the government and the Opposition follow this path the country would not develop, he said.

Thirdly, he said, there had to be 'industrial peace'. A long period of industrial peace based on agreement, between the government, industry and labourer had to be there renewable every three years for instance. He emphasised that this did not mean that the workers were not allowed to resort to trade union actions. They must have a right to such actions if injustices were caused to them. If this kind of a pact was adhered to by those concerned it would be a boost for foreign investment, he said.

Mr. de Mel asked for his views on how the government was performing economically said under the present circumstances the government was doing 'fairly well'. Asked about the way the government was bargaining with the International Monetary Fund (IMF) and the World Bank (WB), he said there should be improvements in this regard. The people dealing with these institutions were performing well but they lacked 'clout' to negotiate from a strong position, which he said he had done during his days as the Finance Minister.

Recalling instances from his old days, Mr. de Mel remembered that the IMF and the WB had insisted at the very outset of opening up of the country's economy in 1977 that bus and train fares be increased considerably and subsidies removed. But he had resisted on the ground that the people had not been in a position to live without such concessions. The lower level officials of the IMF and the WB had insisted, he said. And this had compelled him to go to the United Kingdom, Germany and some other countries and meet leaders and explain to them Sri Lanka's position. They had perceived our problems and the aid packages had come to Sri Lanka with marginal increases in bus and train fares, and minimum changes in subsidies.

"Is it to do the same again that you have come back?" he was asked. He replied: "Whatever I do I want to do that with a free hand. However I have not decided on

anything yet." Asked whether he would accept the Finance Ministership in President Premadasa's government if he was given a free hand, he said that he had just arrived and he had to consult his people in Dewinuware and Bultsinhala before doing anything. Mr. de Mel said that a political party was not his concern but the service he could render to the people of this country.

"I have always joined a political party only if the invitation has come from its leader." In the 1950s, he said, the late Mr. S.W.R.D. Badaranaike had personally invited him to join his party. Later Mr. J.R. Jayewardene had requested him. In the late 1980s again Mr. Anura Bandaranaike had extended the invitation. But I will always consult the people first, he added.

"Even when I went abroad as a minister," Mr. de Mel continued relaxing himself, "I would not meet smaller people. I would go direct to the top level people. Otherwise I would send someone else." This was how, he said, he had dealt with aid donors. "The Oxford accent alone would not do," he contended.

Mr. de Mel avoided all questions we posed to him about party politics in the country. He said he was at present studying the situation in the country. Asked about the Democratic United National Front (DUNF) founded by the UNP dissidents like Mr. Lalith Athulathmudali with whom he (Mr. de Mel) had been at feud, he said "I don't want to waste my talking about it." "A third party had no future in this country," he went on, "so it is ridiculous to form a third party."

In the course of the conversation Mr. de Mel referred to the Sri Lanka Freedom Party (SLFP) as 'a joke'. He repeatedly stressed that all parties had to coalesce if the country was to progress in the future. So long as these political parties pulled the country in opposite directions there would be no future for this country; in the future too it would remain where it was today, he said. Therefore above all these party differences priority had to be given to the development of the country. "The 21st century is only less than 100 months away," he repeated adding that it was high time the country was prepared for that era.

"If there is no future for a third party in Sri Lanka, then why did your wife, Mrs. Mallika de Mel join the DUNF at the very outset of the party?" Mr. de Mel was asked. "Frankly, she had not told me that she would join the DUNF. If she had I would have asked her not to. You know by that time she was very angry," he replied.

Mrs. Mallika de Mel, it will be recalled, was a founder member of the DUNF and was appointed a vice president of the party. Last October she resigned from the party and she attributed her resignation to a 'one man show in the DUNF'. Political observers, however, view her resignation as a strategic move in the political programme of Mr. Ronnie de Mel.

Mr. de Mel denied that there was any such move.

Asked for his comments on the ill-fated Impeachment Resolution, Mr. de Mel said that except for something towards the middle of the document there was nothing technical about the impeachment resolution. He thought he could not believe that those who had attempted to impeach the president would act so naively. He said further that those who had been expelled in this connection had not also known which court to file their appeal. For him the Impeachment Resolution was a document full of 'nonsense.'

Mr. de Mel repeatedly avoided the questions whether he would re-join the UNP. Asked him about the speculations that he would attend the UNP Convention on 20 December he said that he had not known about the convention. He said he was not technically a member of the UNP any longer. All other questions posed in this regard he avoided.

According to our reliable political sources, however, Mr. de Mel would attend the UNP Convention as a guest. The government which is now on the look out for political matadors is expected to extend an invitation to him shortly with a view to having the Opposition attacked in the face of the forthcoming elections.

In answer to questions in this regard, Mr. de Mel only said that it was too early for him to make any decision as he had not been to his strongholds like Devinuware and Bultsinhala. "I will go to these people and make a decision soon."

Tigers Abroad Attempt To Halt Foreign Aid

93AS0490A Colombo *THE ISLAND* in English 2 Dec 92 p 1

[Article by Shamindra Ferdinando; quotation marks as published]

[Text] Tiger representatives in the West America and Scandinavian countries have launched a fresh campaign aimed at halting foreign aid both military and development to Sri Lanka, informed sources said.

Fearing the recent decision of the British government to lift the ban on military supplies as this may considerably bolster security forces campaign against them, the Tiger leadership has ordered its representatives abroad to campaign against Sri Lanka, sources said.

They believe that the resumption of British military supplies, the identification by Australian Foreign Minister Gareth Evans as the 'killers' of 146 civilians on October 15 this year and the apparent desire of many countries to repatriate the Tamils could be some of the reasons for the latest propaganda work against Sri Lanka, sources said.

In their attempt to further tarnish the image of Sri Lanka India too has come under fire sources said. The Indian government has been accused of supporting the military operations against the Tamils.

It was not clear whether Sri Lankan missions abroad had launched any counter moves to meet the Tiger propaganda machine.

Tigers have been sending letters to various key politicians both in the government and opposition in these countries calling them to protest against any help to Sri Lanka.

Sources said the Tigers have started claiming abroad that the government was detaining hundreds if not thousands of Tamil men and women indiscriminately in the City and neighbouring areas.

Tamil Parties Issue Statement on Select Panel

93AS0493A Colombo *THE ISLAND* in English 16 Dec 92 pp 1, 4

[Excerpt] Tamil political parties issued the following statement on the deliberations at the Parliamentary Select Committee [PSC] on the Tamil question.

It is with regret that we are compelled to go public on what transpired at the various meetings of the PSC which has resulted, once again, in denying to the Tamil people their legitimate aspirations. The decisions at the PSC of the 11th of December 1992, by majority vote, and not by way of any Tamil-Sinhala consensus, we repeat has once again been a gross betrayal of faith and has made the deliberations of the Parliamentary Select Committee an utter farce.

Since the PSC was set-up way back in August 1991, there had been sporadic meetings of the PSC, with long intervals between them, and with always a difficulty in finding a quorum for such meetings giving rise to the concern amongst us that the PSC lacked political will to tackle the Tamil Question in the first instance.

Our concern was then reinforced by the obstinate refusal on the part of the two major Sinhala parties, namely the UNP [United National Party] and the SLFP [Sri Lanka Freedom Party]—the Government and the alternate government—to put forward their own proposals towards a political solution. But despite this, we placed our proposals before the PSC, individually as well as collectively. These sincere attempts at reaching a negotiating settlement culminated in seven Tamil political parties and the CWC [Ceylon Workers Congress] placing before the PSC in June, 1992, what is now commonly known as, the 4-Point Formula.

Thereafter, not satisfied with merely placing our proposals before the PSC, we as a group canvassed the support of the other political parties in the PSC, as well as parties not represented in the PSC, for the 4-point formula. It must be stressed that during these discussions, no party rejected outright our 4-point formula.

Our 4-point formula, which received wide publicity in the media, was formally presented to the PSC on the 17th of June 1992. Yet the Chairman sprang a surprise by presenting the Concept Paper with no reference to the

4-point formula. Our response to the Concept Paper, hence, was the rejection of the proposals contained in the Concept Paper and the reiteration of the 4-point formula. After a lapse of considerable time, the Chairman of the PSC circularized what he termed the "Option Paper." It must be noted that just prior to the tabling of the "Option Paper," the Chairman of the PSC held discussions with the TULF [Tamil United Liberation Front] on 7th October 1992, at the Parliamentary Complex, in the presence of Messrs. Ranil Wickremasinghe, A.C.S. Hameed, Chandra Ranatunga, Harendra Corea, Anura Bandaranaike, Lakshman Jayakody, Halim Ishak and A.H.M. Ashraff. At this Meeting, the Chairman assured the TULF that the proposed Regional Council would be strengthened considerably with substantial legislative and executive powers. Similar assurances and scenarios were also presented by the Chairman to the EPRLF [Eelam People's Revolutionary Liberation Front] and PLOTE [People's Liberation Organization of Tamil Eelam], in separate discussions, very soon thereafter. However, when the "Option Paper" was circularized by the Chairman on 14th October 1992, the representatives of the Tamil parties were taken-aback by the total disjuncture between the verbal assurances given by the Chairman of the PSC earlier and the actual proposal laid out in the "Option Paper." Despite this provocation, the Tamil Parties once again responded in writing to the "Option Paper." Our response was dated 21st October 1992, signed by seven Tamil Political Parties.

Thereafter, we come to the momentous turn of events. Since it is now obvious that whilst the Tamil Parties were being lulled into a brief that serious discussions were taking place at the PSC, manoeuvres were also being carried out behind the scenes which were calculated to shape events, at the level of the PSC, to the detriment of the Tamil interests.

This process resulted in a gentleman, who was hardly seen or heard in Parliament or the PSC, suddenly appearing at the PSC and submitting a proposal containing 10 points on the 14th of November 1992 which are now called the "Srinivasan Proposals."

It must not be forgotten that this gentleman was one of four Tamil-speaking Members of Parliament who jointly issued a statement in September 1991 that they owed personal allegiance to President Premadasa and that it was for this and other reasons that he was expelled from the ENDLF [Eelam National Democratic Liberation Front].

The two important proposals in the "Srinivasan Proposals" were those referring to the converting of the unitary constitution into a federal one and the emphasis on the Northern and Eastern Provinces as two distinct units of devolution.

Even before these proposals could be discussed at the PSC, Mr. Hameed convened a meeting of all Muslim Members of Parliament on the 21st of November 1992

and obtained their endorsement of the "Srinivasan Proposals." This meeting assumes significance since it was clearly orchestrated to give legitimacy to the "Srinivasan Proposals," while simultaneously seeking to undermine the negotiations that the TULF was then having with the SLMC [Sri Lanka Muslim Congress] in relation to Point 3 of the 4-Point Formula.

At the PSC meeting of 26th of November 1992, the Chairman suddenly announced that Mrs. Bandaranaike had told him over the telephone, on two occasions recent to that date, that she was accepting the "Srinivasan Proposals" in toto. Soon after the Chairman's announcement, Mr. Hameed said that if that was the position of the SLFP, then he, on behalf of the UNP, was prepared to say that the UNP would also accept the "Srinivasan Proposals." This sudden turn of events showed that there were pre-planning behind the scenes inimical to the Tamil People.

At this turn of events, the representatives of the TULF and EPRLF in the PSC inquired if this was the official view of the UNP and the SLFP. The Chairman then requested all parties to place their official position on the "Srinivasan Proposals" at the PSC's next Meeting.

That very evening, Mrs. Bandaranaike told certain reporters from India that she did not accept the federal system of Government, and subsequently the UNP and the SLFP came out with official press releases that they would abide by any consensus at the PSC. These official releases had no reference to the federal form of Government or to the unit.

In the welter of confusion emanating from a number of contradictory statements from the UNP and the SLFP, not to mention the euphoric interpretations in sections of the local and international media that Federalism had finally been accepted by the Sinhala Polity, the PSC met on the 3rd of November 1992. It was at this meeting that all parties were expected to place their official positions regarding the federal form of government. No official positions were forthcoming from any other parties except the Tamil parties who again placed their official response to the "Srinivasan Proposals."

At this meeting, the representatives of TULF and EPRLF inquired of Mr. Hameed about UNP's commitment to federalism and he replied that federalism was only a "deal" if the Tamils were prepared to abandon their demand for the permanent merger of the North and East.

It was clear to the representatives of the Tamil parties that there was a plan to impose a decision on the PSC and to bring its deliberations to a close that day itself. Realizing this, the representatives of the Tamil parties insisted that the 4-Point Formula be taken up for meaningful discussion. With apparent reluctance, the PSC took up for discussion the 4-point formula and even then postponed the consideration of the unit.

On two successive dates, land and law and order were discussed. Even in these matters, no finality was

reached. For instance, those who spoke glibly of federalism and now speak of the Indian model could not even comprehend the reasonable demand of the Tamil parties that all State land be vested with the Provincial Councils and summarily rejected it.

The PSC meeting was put off for the 11th of December 1992 to discuss the unit of devolution. At this meeting, instead of discussing paragraph 1 of the 4-point formula, paragraph 2 of the "Srinivasan Proposals" was unexpectedly taken up for discussion.

As regards the unit as set out in paragraph 2 of the "Srinivasan Proposals," the Chairman asked a "yes or no" answer from the Parties present. All political parties, except the CWC and the Tamil parties, accepted Paragraph 2 of the Srinivasan Proposals which refers to the delinking of the presently merged North and East.

Thereafter, the representatives of the TULF and EPRLF inquired from the parties present whether they were all accepting the conversion of the unitary constitution for a federal one as stipulated in Paragraph 1 of the "Srinivasan Proposals." To this query, Mr. Hameed said "there is no need for federalism. it is not possible in the present context. It is not a reality. We will give the powers enjoyed by States in India." This position was accepted by the SLFP also.

The TULF and EPRLF then protested vehemently saying that the UNP and SLFP had abandoned their position on federalism within a matter of a few days. Despite the protests of the CWC and the Tamil parties named above, the Chairman announced that he would place an interim report before the PSC very soon.

We have narrated above the sorry and sad tale of the major Sinhala parties, once again, not facing honestly the Tamil Question and seeking a just solution. It is now abundantly clear that the entire process of the PSC had been designed to give effect to the promise, contained in the UNP Manifesto for the Presidential Elections of 1988, to demerge the presently merged North-East Province. This design suited the SLFP as well. Federalism, hence, was only a bogey floated by these two parties to achieve these ends.

During the entire process of the PSC, there was no serious consultation, no sign of any compromise by the UNP or the SLFP and certainly no consensus with the Tamil parties on any matter. History will, instead, record that consultations were purely diversionary and [passage missing]

Jha Advises Tamils to Seek Political Solution

93AS0576B Colombo *THE ISLAND* in English 22 Jan 93 p 1

[Article by M.S. Vipulalananda]

[Text] The outgoing Indian High Commissioner, N.N. Jha, last Tuesday advised leaders of the seven Tamil

political parties not to lose hope in the search for a political solution to the ethnic crisis.

He also commended the former Tamil militant groups that have not joined the democratic mainstream and to continue to work towards a negotiated solution. He also expressed the hope that there will be an early solution acceptable to the Tamil people.

The seven Tamil parties hosted a farewell luncheon to the envoy at Hotel Taj Samudra on Tuesday.

All Ceylon Tamil Congress [ACTC] leader G.G. Ponnambalam (Jr.) who spoke on behalf of the seven parties said that during the 1 1/2 years period that Mr. Jha served as Indian High Commissioner in Sri Lanka, he would have undoubtedly witnessed the steady dismantling of the gains of the Indo-Lanka accord and the erosion of the 13th Amendment to the Constitution.

The ACTC leader said the accord despite certain deficiencies was the most that the Tamil people were able to gain since independence.

The parties represented at the meeting were TULF [Tamil United Liberation Front], ACTC, EPRLF [Eelam People's Revolutionary Liberation Front], TELO [Tamil Eelam Liberation Front], PLOTE [People's Liberation Organization of Tamil Eelam], ENDLF [Eelam National Democratic Liberation Front], and EROS [Eelam Revolutionary Organization of Students].

Mr. Ponnambalam said that Mr. Jha had always been accessible and has never failed to give the Tamil parties a word of advice when it was needed.

"You have also earned our respect for the firmness with which you articulated the legitimate aspirations of our people in many a forum," Mr. Ponnambalam said on behalf of the seven Tamil political groups.

Ceylon Workers Congress* Statement on Ethnic Problems

93AS0498A Colombo DAILY NEWS in English 23 Dec 92 p 17

[Text] The following is the text of a statement issued by CWC [Ceylon Workers Congress] leader S. Thondaman on the stance of the CWC on the proposals of the Mangala Moonesinghe select committee of parliament.

A deteriorating environment of ethnic relations which was tearing the Sri Lankan polity apart occasioned the setting up of the Select Committee of Parliament. Evolving a political strategy to prevent the disintegration of the nation, preventing killings and achieving peace through a devolution of power were the prime tasks cast upon the Select Committee.

The Ceylon Workers Congress mapped out its strategy in detail and placed its proposals before the Select Committee for its consideration. Devolution in a real sense to an unbifurcated North-East Province constituted the

cornerstone of the proposals. Autonomy for the Muslims within the ambit of a single Provincial Council along with safeguards for the Sinhalese minority were cardinal elements in the CWC proposals. The seven Tamil parties buttressed these four points.

The proposals for devolution embraced the crucial concerns regarding land, law and order, financial arrangements, administration of justice and an enlarged list of subjects and functions for the Provincial Councils. The proposals outlined in detail, amplified and elucidated over a period of one year at the sittings of the select committee have failed to engage its attention.

It is utterly disconcerting to note that the select committee couldn't perceive the bearing these issues had on the resolution of the ethnic conflict. With total unconcern for the content of devolution, energies were dissipated on the receptacle to receive the content.

Bifurcation of the receptacle became the overwhelming consideration of the committee. It was known that a demerger would expose the hollowness of the solution proffered in all its nakedness. To conceal the void, the mirage of federalism was invoked. I have stated forthrightly that a federal arrangement could best safeguard the interest of the minorities provided the government and the opposition, would jointly frame and adopt a federal constitution. With this insistence by the CWC even the term federal has been dropped by the select committee.

Now we have the disturbing spectacle of the select committee proposing neither a merged province nor a federal set up. The Indian model is now being advanced. The Indian arrangement of power-sharing is quasi-federal. This system has power weighted towards the centre. The threat of dissolution hangs ominously over the State Assembly.

The State Government is under threat of disappearance. This is not the model on which the Tamils would ever pitch their sights. The struggles the states of India are engaged in, bespeak the revolt against poverty of power in the states and a domineering control from the centre.

This emasculated system cannot attract the attention of the Tamils, much less win their allegiance. A wrong model cannot rectify a malady. It compounds the problem. Hence the CWC's stance of repudiation of the select committee proposals.

It is widely known that there are as many federal constitutions as there are federations. No two federal constitutions are alike. The urge to prevent separation or conversely the countervailing predilection for unity determines the degree of autonomy embodied in a federal constitution.

It is therefore mandatory for the proponents of a federal idea to spell out in precise terms the parameters of their concept. Though federalism has been discussed for over four decades, even the rudimentary features of federalism have not been forthcoming in the proposal for a federal set up.

The land question is crucial to the people of the north-east. Vesting of the land in the provincial authority of the north-east has been foundational in their political thinking.

On the issue of vesting state land in the provincial council, the All Party Conference arrived at a matrix of eight parties for, two against and six abstentions in August 1990. In January 1992, the select committee had a matrix of four parties for, no party against and eight abstentions. This was the position when devolution was under consideration.

But it was not even entertained when the issue was taken up in December 1992 after the federal formula was advanced in November 1992. To the politically conscious, the signal is clear. It becomes incumbent on the part of the CWC to point out that the proposal for an impotent and bifurcated north-east province cannot resolve the tangled web of ethnic relations.

The federal formula put forward by the five political parties signifies some advance on the political thinking in Sri Lanka. It is however unfortunate that this formula that is being proffered is being vitiated by the bifurcation of the federating unit.

The CWC stands by its stance towards the concept paper that "Tamil opinion has expressed itself unequivocally in favour of an unbifurcated north-east province. This is the starting point for a consideration of any proposal to resolve the ethnic problem. Not to accept this political imperative is to set one's face against peace."

The CWC has never retracted from the position of an unbifurcated north-east province. A merged north-east has been a political reality for five years. It has not precipitated separation. It may therefore be allowed to continue for a specified time frame of five to ten years and the government of the north-east province could take a decision at a later date.

The CWC considered it prudent that the select committee should build on the achievements recorded in the recent past. A measure of devolution extended through the thirteenth amendment to a merged north-east province was the logical starting point for the select committee to commence its work.

The select committee instead eschewed the path of sagacity to demerge the north-east which has been a reality for five years. The Indo-Lanka Accord has been set aside cavalier fashion. The merger has been violated. No meaningful scheme of devolution has been seriously considered much less worked out.

A committee that was called upon to take the peace process forward has deprived the people of the north-east even of what was available to them. If an agreement entered into by two countries is jettisoned in this manner, the Tamils cannot repose any faith in negotiations, agreements or pacts. The totality of the Tamils setting their face against moderation and turning to a position of intransigence therefore becomes inescapable.

The CWC has at all times pledged itself for a united Sri Lanka. My political philosophy has been to work for the betterment of all people in the whole of Sri Lanka. When the Tamil United Front was formed, the CWC was one of the component units along with the Federal Party and the Tamil Congress.

However when the Vaddukkoddai Resolution called for a separate State of Tamil Eelam, the CWC dissociated itself from the Tamil United Front and later the Tamil United Liberation Front.

My association with the destiny of the Tamils is long-standing. It has been my consistent endeavour to evolve a solution within the set up of a single polity. Recognising, appreciating and conceding the demand for autonomy as a viable means of fulfilling the expectations of Tamils is a singular option to preserve the unity of the country. To me this appears self-evident.

A positive approach to resolve the Tamil problem would need a realistic understanding of the character of the Tamils and their aspirations. May I reiterate certain truths which to us seem axiomatic.

The Tamils, taking as they do a pride about their language and culture, history and heritage can never be subjugated. Nor can they be assimilated. They will never accept a *modus vivendi* otherwise than as equals in the fullest sense of the word.

This is the underlying urge behind the struggle for Tamilian nationhood. The demand for a distinct identity manifested initially through democratic processes. Militant dimensions came about subsequently. The urge for self-rule finally became an assertion for the right of self-determination.

In this situation, what the CWC has maintained consistently, bears repetition. Full autonomy alone holds the prospect of turning the Tamils into the mainstream of national endeavour.

The select committee of parliament with an obligation to search for peace has meandered for one year and is mired in an impasse. The CWC laments this turn of events. The CWC submitted its proposals to the select committee of parliament on the December 10, 1991. The developments over one year culminating on December 11, 1992 has shaken the CWC's faith in the capability of the select committee in evolving a strategy of peace.

However, the CWC's faith in the viability of its proposals in laying the foundation for peace remains unshaken.

The CWC has the utmost clarity about the aspirations of the Tamils. It was with such understanding and after due deliberation that the CWC's thinking crystallised into the peace proposals. The perceptions of the select committee however remain unclear. But one thing is certain. The thinking of the CWC is at complete variance with the thought process of the select committee. The CWC has therefore no option, but to dissociate itself from the select committee.

Liberal Party Condemns Police Actions

93AS0489A Colombo *THE ISLAND* in English
16 Dec 92 p 4

[Article: "Liberal Party Condemns Police Attack on Demonstrators"]

[Text] The Liberal Party condemning the police attack on demonstration in Slave Island on Human Rights day said the conduct of the police in this and other similar incidents has no place in a free society. Liberals deplore the fact that official inquiries of similar attacks on journalists and others such as at the Fort Railway Station earlier this year have proved to be farcical and have not led to the prosecution of those responsible. Liberals call upon the Government to initiate an immediate inquiry into this incident and to take firm disciplinary action against the police officers responsible. The failure of the government to take such action would seriously undermine the belief in its commitment to liberal democracy.

Liberals believe that it is vitally important that firm action be taken on this issue because the security of journalists who perform a vital function in a free society has too often been compromised, a Press release by the Liberal Party stated.

The release added:

The Liberal Party strongly condemns the totally unreasonable attack by the police on unarmed and peaceful demonstrators and journalists on the occasion of a demonstration in Slave Island on World Human Rights Day.

Liberals particularly deplore the attacks on Mahinda Rajapakse, MP [member of Parliament], Vasudeva Nanayakkara MP and the brutal assault on Lankadeepa photographer, Lalith Welivittigala who was hospitalised with serious injuries as a result of this incident.

Agreement on Policy Review Reached With IMF

93AS0499A Colombo *THE ISLAND* in English
20 Dec 92 p 1

[Text] The government has agreed to review alternative methods to finance health care and education in the country between 1992 and 1993 as part of a series of reforms agreed with the International Monetary Fund to draw the balance instalments of an Enhanced Structural Adjustment Fund negotiated in October 1991.

Sri Lanka has already drawn two instalments each about U.S.\$75 million of this massive facility of U.S.\$450 million spread over a three-year period.

According to a policy framework paper (1992-95) in this regard prepared by the government in collaboration with the staffs of the IMF and the World Bank, in the education sector reforms will include plans to "enhance cost recovery through user fees and further develop private education," while in the field of health it will explore "alternative ways of financing care through insurance systems and fees."

Under these reforms the authorities have undertaken to restructure the National Savings Bank with the objective of making it a viable commercial institution. In the case of the People's Bank and the Bank of Ceylon the agreements are to re-capitalise them with long-term government securities and transfer their bad and doubtful debts to independent collection agencies.

In the public sector, authorities will continue to rationalize the Civil Service in order to maintain a "constant real wage bill," meaning further reduction in the cadre. Otherwise with the recently announced salary hikes and the usual annual increments the real wage bill would automatically rise.

The authorities have also undertaken to implement a programme to enhance expenditure control and monitoring, particularly in regard to transfers to Provincial Councils.

The report says that the temporarily reinstated food stamps benefits to about 300,000 families to mitigate the effects of the recent drought should be withdrawn this year.

Among the other major reforms the government has agreed to implement are: Deregulation of bus fares, convert the Railways Department into an independent corporate authority (1992/93), permit all foreign investors access to domestic financial markets, gradually replace tax holidays and special incentives with lower overall tax rate system, divest capital equipment of the retail outlets and subsidiaries of Ceylon Petroleum Corporation, privatise commercial functions of Mahaweli Authority, take steps to liberalise imports of rice and imports and prices of wheat and flour, and remove discretionary tariffs awarded on an ad hoc basis.

Purchase of Russian Battle Helicopters Planned

93AS0491A Colombo *THE ISLAND* in English
9 Dec 92 p 1

[Article by Shamindra Ferdinando]

[Text] Government is to purchase Russian built MI-8 (military version) helicopters claimed to be one of the best fighting machines in the "world to bolster air operations against the Tigers, authoritative sources revealed yesterday. With approval of the Cabinet the

Defence Ministry has already called for tenders from both foreign and local arms merchants for the immediate supply of this type of "battle helicopters" security sources said.

The introduction of these helicopters to Sri Lanka, now in service in 40 countries across the world could greatly improve the capabilities of the Air Force, they claimed. Western defence sources quoting the "JANES DEFENCE" magazine said the MI-8 was a powerful machine armed with rockets, machine guns, anti-tank missiles and the ability to engage in communication jamming.

This is the first time Sri Lanka was going for Eastern European manufactured battle helicopters. Although Sri Lanka received Soviet built Jet fighters in early 1970's since Mr. J.R. Jayewardene took over in 1977 there have been no purchases of helicopters from Eastern Europe, they said.

Various types of western helicopters, mainly American, have been deployed against the Tigers sources said.

The Services needed new helicopters to increase its firepower some believe.

A couple of thousands of MI-8 helicopters of various versions are in the services with Soviet forces, nearly all eastern European countries and neighbouring India.

MI-8 was extensively used by the Indian Peace Keeping Force (IPKF) during operations to disarm the Tigers in north and east Sri Lanka.

Despite Sri Lanka's unfamiliarity with East European technology the government has decided to get Soviet helicopters, tanks from Czechoslovakia and if possible other defence equipment, too.

Authorities strongly believe increased air support will be needed for combined security forces operations against the Tigers particularly in the northern theatre of operations.

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